

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 33

STATE OF NEW JERSEY

DATED: JUNE 19, 2017

The Assembly Budget Committee reports favorably Assembly Bill No. 33.

This bill repeals section 7 of the “Work First New Jersey Act,” which prohibits a household from gaining additional cash assistance benefits as a result of the birth of a child. Such policies that prevent an increase in welfare benefits as a result of the birth of a child are commonly known as “family caps.”

The Work First New Jersey – Temporary Assistance to Needy Families (TANF) program provides cash and other assistance to low income families with dependent children. The amount of monthly cash assistance provided to a household by the program is based on the household’s size. However, current law prevents the amount of the grant from increasing as the result of the birth of a child, unless the child is born fewer than 10 months after applying for benefits or the birth of the child is a result of rape or incest. Certain limited exceptions to the family cap are provided pursuant to N.J.A.C.10:90-2.18 for families with a working parent and for children born to minors.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the bill will result in increased expenditures of \$1.7 million for cash benefits for these recipients if implemented in FY 2018. Costs may decline in future years if the current trend of declining enrollment continues.

It is possible that the costs for additional recipients may vary from year to year, but this change is dependent on the number of children born each year whose parent or parents are enrolled in the Work First New Jersey – Temporary Assistance to Needy Families program and cannot be anticipated with any certainty.